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SUBJECT: (C) SIX-PARTY TALKS: SHANGHAI ACADEMICS COUNSEL SHORT-TERM PATIENCE, DIVIDED ON PYONGYANG'S ULTIMATE INTENTIONS

REF: SHANGHAI 218

CLASSIFIED BY: Veomayoury Baccam, Acting Pol/Econ Section Chief, U.S. Consulate General, Shanghai, Department of State.

REASON: 1.4 (b), (d)

¶1. (C) Summary: Several Shanghai academics believe the Six-Party Talks can produce continued movement by the Democratic People's Republic of Korea (DPRK) toward denuclearization and regional dialogue, but counsel patience since any progress is likely to be gradual. It is unclear whether North Korea has made the strategic decision to eventually surrender its nuclear weapons. Pyongyang may entertain the possibility that India can be a model for its future relationship with the United States. One academic asserts that Beijing does not view resolution of the Japanese abductees issue as central to the Six-Party Talks, and that Tokyo and Pyongyang should handle the problem separately. A Northeast Asian Peace and Security Mechanism (NEAPSM) would complement China's management of relations with neighbors and efforts to tackle transnational issues. END SUMMARY.

¶2. (U) From June 10-18, Poloff conducted separate meetings with Shanghai academics to discuss the current state of the Six-Party Talks and possible hurdles to overcome. Experts included: Chen Dongxiao, Vice President, Shanghai Institute for International Studies (SIIS); Gong Keyu, Deputy Director, Department of Asia-Pacific Studies, SIIS; Xia Liping, Deputy Dean of the School of Law and Politics, Tongji University; and Cui Zhiying, Center for Asia-Pacific Studies, Tongji University.

STEADY PROGRESS POSSIBLE...

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¶3. (C) Like other Korea specialists in Shanghai (see reftel), these academics believe the Six-Party Talks can produce continued movement by the Democratic People's Republic of Korea (DPRK) toward denuclearization and regional dialogue, but counsel patience since any progress is likely to be gradual. Both Cui Zhiying and Xia Liping find it unlikely that denuclearization can be achieved before President Bush leaves office. Although Pyongyang is moving in the right direction, the Six-Party Talks represent a long-term process, Cui argues, and the other parties should have no illusions about the investment of time and effort that will be required to succeed.

¶ 14. (C) In contrast, Gong Keyu does not dismiss the possibility that Pyongyang will move quickly to achieve whatever it can before January 2009. She argues that North Korea undoubtedly remembers the change in approach that emerged following the transition between the Clinton and Bush administrations and does not want to risk similar delays. Pyongyang therefore has an incentive to maximize its gains while the current administration remains in power.

...THOUGH ULTIMATE INTENTIONS UNCLEAR

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¶ 15. (C) The academics are split on whether North Korea has made the strategic decision to eventually surrender its nuclear weapons. Xia is convinced the necessity of healthy U.S.-DPRK relations for regime stability is forcing Pyongyang in this direction. To ensure the smooth transition of power to the next generation, as well as a political legacy, Kim Jong-il must decrease the risk of conflict and guarantee trade and investment inflows into North Korea. Only better relations with the United States can accomplish both goals, Xia believes.

¶ 16. (C) Taking a slightly more pessimistic view, Gong reports she met several North Korean scholars linked to the ruling regime during a recent trip to Pyongyang. These scholars indicated that three considerations had motivated Pyongyang to initially seek nuclear weapons. First, North Korea wanted the strategic parity and additional bargaining power necessary to prevent reunification with the Republic of Korea (ROK), should this become a future possibility, from occurring entirely on Seoul's terms. Second, North Korea realized it could obtain a supply of fuel oil and food aid over an extended period of time by merely

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committing to eventual disarmament. Third, Pyongyang feared the United States might undertake regime change in North Korea, and sought nuclear weapons as a deterrent.

¶ 17. (C) Gong suggests that although Pyongyang is committed to the Six-Party process, many in North Korea look at warming U.S. relations and potential nuclear cooperation with New Delhi and wonder if North Korea could be "the next India." In the final analysis, Pyongyang may be willing to surrender its weapons, Gong admits. In the meantime, their possession guarantees good relations with the United States, and perhaps someday they will manage to have both.

JAPAN-DPRK RELATIONS A SIDE ISSUE

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¶ 18. (C) Gong asserts that Beijing does not view resolution of the Japanese abductees issue as central to the Six-Party Talks, and believes that Tokyo and Pyongyang should handle the problem separately on a bilateral basis. (Note: This view echoes recent remarks by leading Shanghai specialists on Japan discussed in forthcoming septel.) While acknowledging the aspirational goal of regional peace and trust among the Six Parties, Gong notes the primary goal of the talks is denuclearization of the Korean Peninsula. Gong believes that China might be willing to mediate between Japan and North Korea, and points to Beijing's recent hosting of Japan-DPRK talks as a case in point. Xia argues that Tokyo will ultimately continue cooperating in the Six-Party process because, from a national interest perspective, it simply has "no other choice."

POSITIVE ON LONGER-TERM MECHANISM

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¶ 19. (C) The academics are largely positive on the utility of a potential Northeast Asian Peace and Security Mechanism (NEAPSM). Chen Dongxiao claims that Beijing has a strong interest in the creation of discrete multilateral groupings on its periphery. Groupings like the Shanghai Cooperation Organization (SCO) and the ASEAN Regional Forum (ARF) help China manage relations with neighbors and tackle transnational issues that threaten domestic

peace and stability. A NEAPSM could similarly fill this role. Xia is also favorably disposed toward a longer-term mechanism, and suggests that Mongolia, which is similarly oriented toward Northeast Asia, can perhaps be considered for future membership.

¶10. (C) Gong concurs that an institutionalized mechanism has the potential for positively contributing to the region, but claims that Beijing would be wary of being outnumbered by its erstwhile partners. Somewhat dramatically, Gong argues that, given the close relations Washington enjoys with Tokyo and Seoul, a NEAPSM could become a battleground for "a new Cold War," hampering its effectiveness from the get-go.

COMMENT

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¶11. (C) The academics' qualified optimism regarding progress on denuclearization tracks comments made by other Shanghai experts (see reftel). At the same time, lack of progress on Japan-DPRK bilateral ties is giving rise to fears that what are perceived as side issues might distract the Six Parties from their primary focus on North Korea's nuclear programs.

¶12. (C) Washington should disabuse Pyongyang of the notion that India can ever be a model for a U.S.-DPRK relationship, an idea Poloffs have heard floated elsewhere in the Shanghai think tank community. Assuming North Korea is having second thoughts about retaining its nuclear weapons, allowing this misperception to endure will only delay Pyongyang's fulfilling its commitment to abandon them.

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